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**Illinois**

**Community**

**Colleges**

"Opportunity with Excellence"

# **FUNDING PLAN**

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**Illinois Community College Board**

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*Discover The Magnificent Miles of Illinois*



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## BACKGROUND.....

The Illinois Public Community College Act was passed in 1965 as an outgrowth of the 1964 Master Plan published by the Illinois Board of Higher Education. This legislation, with its subsequent amendments, is the basis for the present system of 50 public community colleges which comprise 39 community college districts.

Community colleges, by design, are responsive to the needs of the unique communities they serve. Having formally been a part of the Illinois higher education system for only 20 years, they currently enroll over half of all students attending higher education institutions in Illinois. Community colleges provide opportunities not only for the traditional college student but also for the displaced homemaker, the unemployed, the senior citizen, the handicapped, and the welfare recipient. Overall, they have helped provide Illinois with a well-trained workforce and have extended their mission by working with the private sector to train workers for new and expanding businesses and industries.

Illinois public community colleges receive funding from three major sources: property taxes, student tuition, and state appropriation. State appropriations are discussed in this pamphlet.

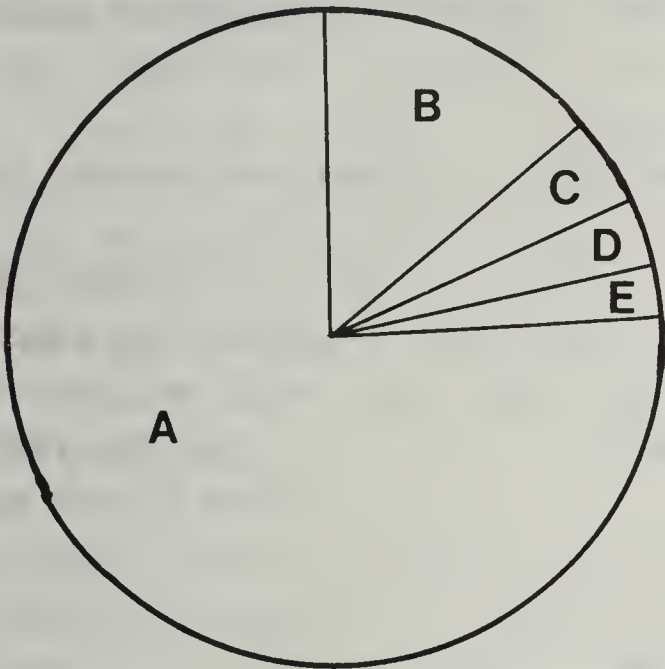
FUNDING PLAN SUMMARY.....

Conceptually, the community college appropriation is equal to an estimate of funds needed in the community college system less an estimate of funds available to the community college system. The data used for illustration purposes are those used in developing the Fiscal Year 1986 appropriation for community colleges.

ESTIMATE OF	
RESOURCES NEEDED	\$551,108,600
- ESTIMATE OF	
RESOURCES AVAILABLE	<u>-372,222,700</u>
APPROPRIATION	\$178,885,900

The appropriation is distributed through the following five grant programs:

1. Credit Hour Grants	\$137,148,000
2. Equalization Grants	\$ 28,887,900
3. Disadvantaged Student Grants	\$ 7,000,000
4. Economic Development Grants	\$ 3,500,000
5. Advanced Technology Equipment Grants	\$ 2,350,000



- (A) Credit Hour Grants, 76.7%
- (B) Equalization Grants, 16.1%
- (C) Disadvantaged Student Grants, 3.9%
- (D) Economic Development Grants, 2.0%
- (E) Advanced Technology Grants, 1.3%



RESOURCE REQUIREMENTS.....

The estimate of funds needed by the system is determined by adjusting the most recent (Fiscal Year 1984) actual expenditures for anticipated cost increases. The Fiscal Year 1985 weighted cost increase of 3.9 percent reflects the decision rules implicitly contained in the appropriation bill for the community college system approved by the General Assembly and the Governor. The Fiscal Year 1986 weighted cost increase of 6.84 percent includes an 8.0 percent salary increase, a 7.0 percent cost increase for library materials, and a 4.0 percent cost increase for all other purchases except utilities, which are projected to increase 6.5 percent.

Average cost to produce a credit hour (FY 1984)	\$ 78.25
x <u>Two-year inflation factor</u>	x <u>1.1101</u>
Estimate of cost to produce a credit hour in FY 1986	\$ 86.87
x <u>FY 1984 credit hours</u>	x <u>5,964,438</u>
Estimate of total instructional costs in FY 1986	\$518,131,000

We also add in an estimate of:

Public service costs in FY 1986	+ \$ 30,179,000
New funds requested for FY 1986	+ <u>2,798,600</u>
ESTIMATE OF RESOURCES NEEDED	\$551,108,600

AVAILABLE RESOURCES.....

The estimate of funds available to the community college system centers on four sources of revenue: local property tax receipts, student tuition and fees, other state grants, and federal and other miscellaneous revenues.

LOCAL TAX RECEIPTS. Local property tax extensions are determined by multiplying the statewide total community college projected equalized assessed valuation by the average tax rate. This amount, less adjustments for collection losses, non-district chargebacks, and equalization, yields estimated local tax receipts.

Projected equalized assessed valuation	\$81,361,727,600
x Statewide average tax rate	x .002156
Local tax extensions	\$ 175,415,900
+ Adjustments (collection losses and chargebacks)	+ 1,697,700
- Equalization grants	- 28,887,900
Local tax receipts	\$ 148,225,700

STUDENT TUITION AND FEES. Statutorily, community colleges cannot charge tuition that exceeds one-third of their per capita cost. Actual tuition and fee rates range from \$12.80 per semester credit hour to \$31.47 per semester credit hour. Tuition revenue is calculated by multiplying the

most recent non-ABE/ASE enrollments by a tuition standard. The tuition standard included in the Fiscal Year 1986 budget is \$25.64.

FY 1984 credit hours (except ABE/ASE)	5,041,247
x Tuition and fee rate standard per semester credit hour	x 25.64
Student tuition and fees	\$129,257,600

OTHER STATE GRANTS. Community colleges receive additional revenue from a number of other sources. For example, the State Board of Education distributes grants for adult education and vocational education in support of specific instructional programs. It is projected that community colleges will receive \$7.45 million in grants for adult education and \$18.0 million in grants for vocational education programs in Fiscal Year 1986. In addition, the corporate personal property tax revenues eliminated in 1979 as part of local property taxes have been replaced by revenues from new taxes on corporations, partnerships, and utilities. The revenues generated from these taxes are distributed to community college districts based on personal property tax collections for 1978. Corporate personal property replacement taxes available for operations in Fiscal Year 1986 are estimated to be \$17.2 million.

Corporate replacement taxes	\$17,200,000
+ Vocational education grants	18,000,000
+ Adult education grants	<u>7,450,000</u>

Other state grants	\$42,650,000
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#### FEDERAL AND OTHER MISCELLANEOUS GRANTS.

In addition, community college districts receive funds from a variety of other federal, state, and local sources. Given the difficulty of making accurate projections of this revenue, the community college funding plan provides that miscellaneous revenue is projected based on the percentage it represented of all revenue for the most recent historical year. 10.25 percent of the Fiscal Year 1986 resource requirements, excluding special grants, is projected to be miscellaneous revenue. For Fiscal Year 1986, this amount is \$52,089,400.

Local tax receipts	\$148,225,700
Student tuition and fees	+129,257,600
Other state grants	+ 42,650,000
Federal and other miscellaneous	<u>+ 52,089,400</u>

#### ESTIMATE OF AVAILABLE

RESOURCES	\$372,222,700
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In summary, the estimated funds needed by the community college system of \$551,108,600 less estimated funds available to the system of \$372,222,700 yields the Fiscal Year 1986 appropriation of \$178,885,900.



GRANTS DISTRIBUTED BY THE ILLINOIS COMMUNITY COLLEGE BOARD.....

CREDIT HOUR GRANTS. Credit hour grants are paid for each of the system's seven instructional categories. The credit hour rate for each instructional category is determined by calculating the unit cost of that category and subtracting the system's other available resources on a uniform basis from the projected unit cost in each instructional category. Accordingly, an instructional category which has a high unit cost will be funded at a higher level than a category which has a lower unit cost.

Sample FY 1986  
Credit Hour Rate Calculations

	<u>Bacc.</u>	<u>Health Occ.</u>	<u>Average</u>
FY 1986			
Projected			
Unit Cost	89.19	137.10	86.87
Less			
Tuition			
& Fees	26.10*	26.10*	21.67
Less			
Standard			
Local Tax			
Contribution	31.23	31.23	31.20
Less SBE			
Grants	-0-	10.64	4.27
Less			
Other			
Revenues	6.99	10.75	6.81
Plus Curruculum			
Evaluation	.10	.10	.07
Credit Hour			
Grant Rate	24.97	58.48	22.99

\* The tuition standard for these instructional categories differs from the overall

tuition standard due to an adjustment for differential general studies tuition.

EQUALIZATION GRANTS. Equalization grants attempt to reduce the disparity in local funds available per student among districts. A state average of equalized assessed valuations (EAV) per full-time equivalent (FTE) students multiplied by a weighted average local tax rate determines a threshold of expected local tax revenues per student. Any community college district which is below this threshold when applying a standard tax rate to its EAV/FTE students receives additional state funding. Local property tax revenues, corporate personal property replacement tax revenues, fixed costs, and each district's instructional program mix are considered in the equalization calculations.

SPECIAL GRANTS: DISADVANTAGED STUDENT, ECONOMIC DEVELOPMENT, AND ADVANCED TECHNOLOGY EQUIPMENT. Special grants to support services for disadvantaged students, economic development, and advanced technology equipment also are included in the community college appropriation. These grants must be held in a restricted account by the college and used only for their specified purposes.

Disadvantaged student grants are provided to support special services for educationally disadvantaged students. Currently, a basic grant of \$20,000 per college with remaining funds based on remedial and ABE/ASE credit hour



enrollments is distributed to each district.

Illinois public community colleges are taking a very active role in the economic development activities of their communities. They are working with community leaders and associations to attract and retain new business and industry. Community colleges are cooperating with business and industry to provide training for new job skills and to offer tailor-made job training programs. They also are providing such related services as assessment of business/industry training needs, career counseling for the unemployed, and symposia for labor leaders and business/industry managers. The economic development grant which supports these vital services is distributed partially as a grant of \$30,000 per district. Remaining funds are distributed according to occupational credit hour enrollments.

Advanced technology equipment grants have been incorporated into the Fiscal Year 1986 budget to assist each college in procuring state-of-the-art equipment. Current projections are that by the year 2000, the use of microcomputers will be incorporated into virtually all occupations. This means that within five years, community colleges will need to "computerize" all of their curricula, pre-baccalaureate and occupational alike. The \$2,350,000 allocated for advanced technology equipment grants is distributed to all colleges on the basis of occupational credit hours.

From time to time, other special grants have been and will be appropriated for community colleges.

# DISTRIBUTION BY DISTRICT.....

## Illinois Community College Board

### DISTRIBUTION OF FISCAL YEAR 1986 GRANTS TO COLLEGES

Dist. No.	District Name	Credit Hour Grants	Equali- zation Grants	Disad. Student Grants	Economic Develop. Grants	Advanced Tech. Equip. Grants	Total Grants
501	Kaskaskia	\$ 1618824	\$ 211490	\$ 32359	\$ 65667	\$ 35516	\$ 1963856
502	DuPage	8082044	0	87054	167465	136883	8473446
503	Black Hawk	3664752	880571	187303	108801	78467	4919894
504	Triton	8419161	677286	180288	201160	170435	9648330
505	Parkland	3373408	0	54024	91144	60885	3579461
506	Sauk Valley	1489804	49857	38835	61183	31051	1670730
507	Danville	1579413	610884	51757	65709	35558	2343321
508	Chicago	51965822	18408144	4409755	429377	397683	55610781
509	Elgin	2398704	0	71423	75897	45703	2591727
510	Thornton	3735875	1017769	132411	88667	58419	5033141
511	Rock Valley	3034155	0	57623	85574	55339	3232691
512	Harper	6356606	0	146458	127453	97041	6727558
513	Illinois Valley	2050299	0	41018	63645	33502	2188464
514	Illinois Central	5149079	0	76316	126175	95768	5447338
515	Prairie State	2368033	0	35005	76204	46008	2525250
516	Waubensee	1930049	0	64184	65876	35724	2095833
517	Lake Land	1977188	0	32480	72701	42520	2124889
518	Carl Sandburg	1416715	0	43681	57713	27596	1545705
519	Highland	1295441	539040	49010	51599	21507	1756597
520	Kankakee	1729798	466425	109383	62495	32357	2400458
522	Rend Lake	1305302	381554	35368	59343	29219	1810786
522	Belleville	4836991	1112266	73859	137152	106698	6266966
523	Kishwaukee	1411930	403031	59780	58930	28808	1962479
525	Moraine Valley	5159236	0	88748	109624	79287	5436895
525	Joliet	4381528	0	101838	110686	80344	4674396
526	Lincoln Land	2698131	0	34142	69921	39752	2841946
527	Morton	1403484	0	33453	54974	24868	1516779
528	McHenry	1328802	0	30023	54439	24336	1437600
529	Illinois Eastern	3343086	2267928	142708	100465	70166	5924353
530	Logan	1498616	562886	40119	55069	24962	2181652
531	Shawnee	833907	459714	28486	47538	17463	1387108
532	Lake County	4067182	0	69887	97383	67097	4301549
533	Southeastern	1431811	601204	31517	64929	34781	2164242
534	Spoon River	979529	0	35315	50912	20824	1086580
535	Oakton	4071326	0	116627	95449	65171	4348573
536	Lewis & Clark	2184015	0	88674	76358	46161	2395208
537	Richland	1160084	0	54619	49229	19148	1283080
539	John Wood	1417799	369301	34463	63093	32953	1917609
		\$137147929	\$28819350	\$6999993	\$3499999	\$2350000	\$178817271
Adjustment for Rounding		+ 71	+ 68550*	+ 7	+ 1	+ 0	+ 68629
TOTALS		\$137148000	\$28887900	\$7000000	\$3500000	\$2350000	\$178885900

\*In-district and chargeback FTE audit adjustment.

7/26/85

